

- (4) List of concerns, who on reference to Government have been informed during the year 1959-60, that the concessions under section 56A of the Indian Income-tax Act would be available in respect of the dividends distributed by them to their company shareholders. [Placed in Library, See No. LT-2507/60].

12:05 hrs.

**CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**

**PIG IRON PLANTS IN PRIVATE SECTOR**

**Shri Braj Raj Singh (Ferozabad):** Under rule 197, I beg to call the attention of the Minister of Steel, Mines and Fuel, to the following matter of urgent public importance and I request that he may make a statement thereon:—

“The reported decision of the Government regarding permission to private sector to set up pig iron plants up to one lakh tons capacity.”

**The Minister of Steel, Mines and Fuel (Sardar Swaran Singh):** The Industrial Policy Resolution of 1956 envisages that whenever it is necessary to have cooperation with private enterprise in the establishment of new units listed in Schedule-A, the State will insure that it has the requisite powers to guide the policy and control the operations of the undertaking. In addition to other powers, the Government has powers under the Iron & Steel Control Order to guide the policy and control the operations of any undertaking producing iron and steel.

The Industrial Policy Resolution also stresses the role of small and medium scale industries and further lays down that in order that industrialisation may benefit the overall economy of the country, disparities in levels of development between differ-

ent regions should be progressively reduced. In pursuance of this policy, Government approved in December 1956 the licensing of small plants up to 15,000 tons or less per annum for the production of pig iron in the private sector. Eight firms have been licensed for setting up such small pig iron plants. Of these, two have gone into production—one at Coimbatore (Madras State) and the other at Barbil (Orissa State). The others have yet to take steps for the installation of plant.

Requirements of pig iron by the end of the Third Five Year Plan have been estimated between 1.5 million tons and 2 million tons. Planning is proceeding on the basis that capacity should be created for a minimum of 1.5 million tons. In planning for iron and steel during the Third Five Year Plan it has emerged that it would not be convenient for the integrated iron and steel works to produce more than about a million tons of pig iron for sale. A plant for the manufacture of about 300,000 tons of pig iron is envisaged in Neyveli to produce pig iron with Salem ores and lignite.

In view of the necessity to plan for a further capacity of 200,000 tons to 500,000 tons of pig iron to be able to meet the requirements by the end of the Third Five Year Plan, the Government has approved a proposal that, in modification of its earlier decision, pig iron plants may be licensed up to a capacity of about 100,000 tons a year each on the understanding that there will be no subsidy given in any form to these plants. Further the Department of Iron & Steel has been asked to bear in mind the broad objective of dispersal of the industry with a view to regional development, use of local resources to the extent possible and the conservation of metallurgical coals, particularly of Jharia for the integrated iron and steel works.

It is hoped that it would be possible to have about three or four plants in States other than those where integrated iron and steel works are

[Sardar Swaran Singh]

situated, to produce pig iron with local raw materials.

**Shri Braj Raj Singh:** May I know how many applications, if any, have been received to install such pig iron plants up to the capacity of one lakh tons?

**Sardar Swaran Singh:** I am speaking from memory; I think at the moment there are two such proposals, one to expand the capacity of the existing plant at Barbil in Orissa State and the other, an application for establishing a plant for producing pig iron in Chanda District in Maharashtra.

**Shri Ranga (Tenali):** We learnt that the Andhra Government was interested in developing one of these plants and was trying to the approach the Government of India. Is anything being done in this direction?

**Sardar Swaran Singh:** It is a fact that Andhra Government is also interested in setting up a plant for producing pig iron and also perhaps steel, if the economics of it are good. That matter is being discussed at technical level.

**Shri Chintamani Panigrahi (Puri):** The hon. Minister stated that in pursuance of the Industrial Policy Resolution of 1956, this policy has been again revised or modified. May I know whether Government will have any control in the management or any other aspect of the working of these plants which are going to manufacture 1 lakh tons of pig iron?

**Sardar Swaran Singh:** Government do not normally have any control in the management of an industrial undertaking which is set up by private people with private capital. That is not the normal function of Government in such cases. The overall regulatory control under the Iron and Steel (Control) Order is applicable to all undertakings.

**Shri Narasimhan (Krishnagiri):** There are also other places like

Salem which require attention in this respect. If the whole policy is discussed during the time that the Call Attention motion is taken up, others are taken unawares and the case for places like Salem may go by default.

**Sardar Swaran Singh:** I did not catch any question in what the hon. Member said.

**Shri Narasimhan:** I was only saying that if regular questions and answers are allowed at this time and the Minister is cornered to make some statement, the case for other places like Salem which are also mentioned, may not be fully appreciated.

**Shri T. B. Vittal Rao (Khammam):** I will put up his case.

**Shri Narasimhan:** Others are taken by surprise.

**Mr. Speaker:** Why should he not also come prepared? (*Interruption*). There is no meaning in this objection. I wanted to avoid further discussion taking away the time of the House by allowing one or two questions. If the hon. Member is interested, I will also allow him to ask questions.

**Shri T. B. Vittal Rao:** The hon. Minister mentioned about the production of pig iron by utilising the Neyveli lignite. May I know if any experiments have since been carried out at the low shaft furnace installed at Jamshedpur?

**Sardar Swaran Singh:** Some experiments have already been undertaken at the National Metallurgical Laboratory, Jamshedpur, during Neyveli lignite.

12.12 hrs.

CORRECTION OF ANSWER TO  
STARRED QUESTION NO. 1230

**The Minister of Education (Dr. K. L. Shrimall):** Sir, while replying to the Supplementary Question asked by